

**MINUTES OF THE
BUDGET COMMITTEE**

TUESDAY, AUGUST 26, 2008

At a **special** meeting of the **Budget Committee**, held Tuesday, August 26, 2008, in the Board Room, on the 9th Floor of the Administration Building, Mount Clemens, the following members were present:

Brown-Chair, Brdak, Bruley, Camphous-Peterson, Crouchman, DeSaele, DiMaria, Doherty, Drolet, Duzyj, D. Flynn, J. Flynn, Gielegheem, Lund, Mijac, Rengert, Roberts, Rocca, Sauger, Slinde, Switalski, Tocco, Torrice and Vosburg.

Absent and excused were Haggerty and Szczepanski.

There being a quorum of the committee present, Chair Brown called the meeting to order at 9:05 a.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

AGENDA

MOTION

A motion was made by Camphous-Peterson, supported by Torrice, to adopt the agenda, as presented.

Commissioner Tocco requested the addition of discussion on the Dependent Health Care Audit, specifically a letter that was sent to employees and retirees and clarification on the employee's obligation. This was accepted by the maker and supporter.

Chair Brown called for a vote on the adoption of the agenda, as amended, and **The Motion Carried.**

PUBLIC PARTICIPATION

The following spoke about budget issues:

- Lee Breasbois, 7227 Misner, China, Michigan
- Bob Brandenburg, 17396 Delaware, Macomb, Michigan
- Melanie Halvorsen, 47520 Jefferson, F-2, Chesterfield, Michigan 48047
- Christopher Halvorsen, 47520 Jefferson, F-2, Chesterfield, Michigan 48047
- Mike Holland, 35616 Rainbow, Sterling Heights, Michigan
- Jimmy Fewaz, 42263 Fulton Court, Sterling Heights
- Scott Underwood, 29900 Civic Center Drive, Warren, Michigan
- Paul Brower, Emergency Management Coordinator for Clinton Township
- Richard Choates, 43153 Chardonay Drive, Sterling Heights, Michigan

- Robert Rousseau, 69320 Saxton, Bruce Township
- Dave Wolembksi, 47444 Forton, Chesterfield, Michigan

The following spoke about Martha T. Berry Medical Care Facility:

- Anne Kramer, Ombudsman with Citizens for Better Care
- Alicia Moore, 16152 Hemley, Fraser, Michigan
- Ann Lewainer, 147 North River Court, Mt. Clemens, Michigan
- Rebecca, (last name indistinguishable), MTB resident
- Pat Semasko, Attorney in Mt. Clemens
- Larry Brown, 41541 Shulls Drive, Sterling Heights, Michigan
- Richard Lewander, MTB resident
- Mother of MTB resident Alicia Ward
- Debra Schock, 38339 John Peak, Clinton Township
- Lee Andrews, 20179 Voiland, Roseville, Michigan
- Josephine Savalle-Dunn, 21685 Center Brook Court, Grosse Pointe Woods, Michigan
- Dennis Cod, 23355 Deanhurst, Clinton Township, Michigan
- Helen Hicks, Exec. Dir., Citizens for Better Care, 261 Edmond Place, Detroit, Michigan
- Mary Miller, 26740 (indistinguishable), Chesterfield Township, Michigan
- Steven Cronin, 22918 Edgewood, St. Clair Shores, Michigan

EXECUTIVE SESSION TO DISCUSS PENDING LITIGATION

MOTION

A motion was made by Camphous-Peterson, supported by Gielegthem, to enter into Executive Session for the purpose of discussing pending litigation.

A roll call vote was taken as follows:

Voting Yes were Brdak, Bruley, Camphous-Peterson, Crouchman, DeSaele, Doherty, Drolet, D. Flynn, J. Flynn, Gielegthem, Lund, Mijac, Rengert, Roberts, Rocca, Slinde, Switalski, Tocco, Torrice, Vosburg, Sauger and Brown. There were 22 "Yes" votes.

The Motion Carried.

In accordance with the motion, committee entered Executive Session at 10:20 a.m., with it concluding at 11:50 a.m.

RECEIVE AND FILE REPORT FROM FINANCE DIRECTOR REGARDING THE 2009 BUDGET DEFICIT DATED AUGUST 19, 2008

A report was provided by Mr. Diegel regarding the 2009 Budget deficit. Discussion followed addressing possible strategies and clarification on how much actual revenue is needed to adjust the situation. Mr. Diegel reported that the current tax levy supporting

the 2008 budget is \$132 million; if the tax rate doesn't change for 2009 that figure will drop by \$7 million. If a millage increase is adopted, \$136 million will be generated netting \$4 million more than the current budget year.

Mr. Diegel presented two plans, A and B, with Plan A including a combination of cuts and a millage increase and Plan B including cuts alone.

Commissioner Bruley asserted that some of the items included in both plans cannot be imposed, but rather must be negotiated. He stressed the need for policy development and proceeding in a reasonable manner.

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY VOSBURG, SUPPORTED BY DROLET, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS SET \$125,520,868 AS THE PROJECTED PROPERTY TAX REVENUE IN THE PLANNING OF THE 2009 BUDGET.

Commissioner Bruley questioned the procedure of offering motions under a receive and file. After brief discussion and indication that past motions have been made as substitute motions, Chair Brown ruled the motion out of order.

SUBSTITUTE COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY DROLET, SUPPORTED BY VOSBURG, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS SET \$125,520,868 AS THE PROJECTED PROPERTY TAX REVENUE IN THE PLANNING OF THE 2009 BUDGET.

Discussion ensued regarding constituent opposition to tax increases, the County's need to levy an increase, the Board's obligation to take quick action on solving the budget deficit and possible ways to proceed. Some discussion took place as to whether action taken by this Board would result in "hands-tying" of future Boards.

Commissioner Crouchman reminded the Board that it is too late for a tax increase in November and the budget crisis cannot be solved by an increase alone.

A ROLL CALL WAS TAKEN ON THE MOTION AS FOLLOWS:

VOTING YES WERE CAMPHOUS-PETERSON, CROUCHMAN, DeSAELE, DiMARIA, DOHERTY, DROLET, DUZYJ, J. FLYNN, LUND, RENGERT, ROCCA, SLINDE, SWITALSKI, VOSBURG, SAUGER AND BROWN. THERE WERE 16 "YES" VOTES.

VOTING NO WERE BRDAK, BRULEY, D. FLYNN, GIELEGHEM, MIJAC, ROBERTS, TOCCO AND TORRICE. THERE WERE 8 "NO" VOTES.

THE MOTION CARRIED.

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY CAMPHOUS-PETERSON, SUPPORTED BY DiMARIA, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS TO APPROVE A 30 PERCENT PAY CUT FOR THE 2009 INCOMING COMMISSIONERS, AS WELL AS THE BOARD CHAIR, AND REDUCE THEIR HEALTH CARE BENEFITS AS MUCH AS THE EMPLOYEES ARE BEING ASKED.

SUBSTITUTE COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY TORRICE, SUPPORTED BY GIELEGHEM, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS SET THE COUNTY COMMISSIONERS PAY FOR THE 2009/2010 PERIOD TO BE A FIVE PERCENT REDUCTION FROM THE 2007/2008 PERIOD, END THE 70 POINT RETIREMENT PLAN FOR COUNTY COMMISSIONERS AS OF JANUARY 1, 2009 AND PROVIDE HEALTHCARE BENEFITS IN LINE WITH THE FIRST PROPOSAL PRESENTED AT THE BARGAINING TABLE.

Board Chair Crouchman offered a friendly amendment: to adopt an 80 point retirement plan for the Board of Commissioners and adopt whatever the bargaining is with the unions for healthcare.

Commissioners Torrice and Gielegthem accepted only the amendment regarding the 80 point retirement plan. It was noted that the language would indicate that the retirement plan will revert back to the plan that was in place prior to the 70 point plan.

Further discussion ensued.

Chair Brown called for a vote on the motion and **THE MOTION CARRIED.**

Chair Brown asked for any further discussion on the information that was provided.

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY DOHERTY, SUPPORTED BY DUZYJ, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS ADOPT THE RECOMMENDATIONS FOR THE INFORMATION TECHNOLOGY DEPARTMENT AS DETAILED IN PLAN A, SCHEDULES I AND II.

Commissioner Doherty stated that she spoke with Ms. Zerkowski who indicated that these positions are vacant.

Chair Brown called for a vote on the motion and **THE MOTION CARRIED.**

COMMITTEE RECOMMENDATION – MOTION

A MOTION WAS MADE BY LUND, SUPPORTED BY DOHERTY, TO RECOMMEND THAT THE BOARD OF COMMISSIONERS APPROVE ELIMINATION OF THE 16 VACANT POSITIONS DETAILED IN PLAN A, SCHEDULE I. **THE MOTION CARRIED.**

MOTION

A motion was made by DiMaria, supported by Drolet, that department heads be sent Plan B, Schedule I, advising them that these are their targeted numbers and they will be asked to come to meetings to explain what their issues are with the numbers. **The Motion Carried with Brdak, Bruley, Doherty, Duzyj, D. Flynn, Gieleghem, Tocco and Torrice voting “No.”**

DEPENDENT HEALTH CARE AUDIT

Commissioner Tocco said she was concerned about a letter that all employees and retirees received from Next Generation which requested information, but had no provisions for redacting personal information from the tax returns. She said she understands that there is a provision for that and questioned whether or not employees have been informed that they may redact personal identification information. She also questioned the necessity of Form 4506 which she felt should only be asked for if information supplied by an employee appears to have been altered. Mr. Herppich indicated that a letter will be drafted and sent by Next Generation that will include frequently asked questions.

Commissioners objected to the way this was handled and requested that any further information coming out regarding the audit be approved prior to it being sent. Commissioner Brdak and others on the Board stated that they had trouble getting calls back and consistent, accurate answers from Next Generation.

MOTION

A motion was made by Doherty, supported by DeSaele, to remove the requirement to return Form 4506 and that the form be used only to audit cases with extenuating circumstances; also, that the Human Resources Department send an email notice to all employees within 48 hours with updated frequently asked questions.

After further discussion, Chair Brown called for a vote on the motion and **The Motion Carried.**

EXECUTIVE SESSION TO DISCUSS LABOR NEGOTIATIONS

MOTION

A motion was made by Camphous-Peterson, supported by Duzyj, to enter into Executive Session for the purpose of discussing labor negotiations. **The Motion Carried.**

In accordance with the motion, committee entered Executive Session at 2:22 p.m., with it concluding at 2:56 p.m.

PUBLIC PARTICIPATION

Donna Cangemi, President, AFSCME 411, 11235 Hemlock Drive, Sterling Heights

Ms. Cangemi spoke about the Dependent Healthcare Audit.

Dennis Cob, 23355 Dieners, Clinton Township

Mr. Cob spoke about Martha T. Berry.

ADJOURNMENT

MOTION

A motion was made by Duzyj, supported by Rengert, to adjourn the meeting at 2:59p.m.
The Motion Carried.

**Corinne Bedard
Committee Reporter**